

Congresswoman NYDIA M. VELAZQUEZ

Representing New York's 12th Congressional District
Ranking Democratic Member, House Small Business Committee



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Velázquez Unveils National Housing Counseling Legislation

Congresswoman Nydia M. Velazquez unveiled bipartisan legislation to strengthen and expand housing counseling opportunities so that families in New York City and across the nation can experience the American dream of homeownership.

"The process of purchasing a home is complicated and daunting," Congresswoman Velazquez said. "With the support and guidance of housing counselors, families can successfully navigate confusing loan terms, assess closing fees, and fully evaluate the costs of purchasing and maintaining a home. Housing counseling helps ensure that families are armed with a thorough understanding of the homebuying process before they walk into a lender's office."

The Velazquez bill targets low-income families, the elderly, individuals who face language barriers and other consumers who are more vulnerable to the predatory practices of unscrupulous lenders. The

legislation also authorizes federal grants to provide a direct source of funding to local agencies and non-profit organizations providing housing counseling services.

In New York City, the homeownership rate is the lowest of any major metropolitan area in the country. At the same time, the default and foreclosure rate is skyrocketing in disadvantaged communities in the city and across the country, as families who were not prepared to purchase their home face high mortgage payments they cannot afford.

"Housing counseling is critical to closing the homeownership gap, and stemming the tide of defaults and foreclosures," Congresswoman Velazquez said. "It is not a panacea for curbing predatory lending, but it will ensure that future homebuyers know what is on the table and what is at stake when signing a loan to purchase their home."

Tax Education and Prep Program

At the launch of the Lower East Side People's Federal Credit Union (LESPFCU), 2004 community-wide financial literacy program, Congresswoman Velázquez spoke about the importance of the Earned Income Tax Credit (EITC) and free tax preparation services to low- and moderate-income residents of the Lower East Side.

"Now more than ever, in these tough economic times, it is important that our working families are treated fairly," Congresswoman Velázquez said. "Unfortunately, many people who are eligible for the EITC program either don't know about it or don't know how to get it."

In New York City alone, more than 230,000 families are eligible but do not claim the federal and state EITCs, resulting in a loss of approximately \$500 million. In an effort to educate local residents, the LESPFCU recently launched an educational campaign to promote the EITC program, which is the nation's largest and most effective federal initiative to help working families bridge the poverty line.

Through Volunteer Income Tax Assistance (VITA) Sites, services in both Spanish and Chinese to help individuals determine their eligibility for the EITC, how to avoid paying high fees, and how to obtain their tax refund for free, will be offered.

"During tax season, we all want the community to know that the Lower East Side People's Federal Credit Union is there to help and make things



Congresswoman Velázquez speaks at the launch of the Lower East Side People's Federal Credit Union's tax education program.

easier," Congresswoman Velázquez said. "We want local residents to know they are not alone. There are tax services available from organizations like this one that you can trust. It is these services that can help our communities chart their own course to financial freedom."

To find out more information about these programs, contact the LESPFCU at (212) 529-8197.

President Bush's Budget Leaves Our Communities Behind

Congresswoman Velázquez called Bush's FY 2005 budget "a disaster for our communities," as funding for critical domestic programs aimed at education, health care, housing and job training was slashed.

"The reckless fiscal policies of this administration and Congressional Republicans have created the largest deficits in history, which threaten our economy and the well-being of this country," Congresswoman Velázquez said. "From health care to housing, the 2005 budget released by the White House is nothing more than a sad attempt to solve the ills of our nation through massive tax cuts to the wealthy and handouts to corporate interests. The only way to get our country back on track is to invest in our communities, and this budget clearly fails to do that."

The president's proposed \$2.4 trillion budget for fiscal year 2005 is projected to cause a \$364 record budget deficit next year, keeping with the administration's track record of creating the largest deficits in our nation's history. In the Bush administration's budget, slashed funding by \$119 million for critical job training programs from the Small Business Administration (SBA), the federal agency tasked with helping our nation's entrepreneurs.

In regard to housing, Bush proposes cuts amounting to \$1.63 billion from what is necessary to renew all

expiring Section 8 vouchers, and cuts public housing funding by \$180 million. It also eliminates \$35 million from lead paint grants to combat lead paint contamination and poisoning, and flat funds important housing initiatives for elderly and low-income residents.

In addition, Bush's budget proposal shortchanges education for the third year in a row with historically low federal investment, and jeopardizes transportation funding by proposing \$119 billion less than what is needed to fund the federal government's largest transportation initiative. The proposed budget also makes detrimental cuts for health care by cutting Medicaid spending by \$23.6 billion over 10 years, and includes \$70 billion for a \$1,000 tax credit for individual health care coverage that will only cover 5 percent of the uninsured.

"This trillion-dollar budget not only fails to provide important funding for critical domestic programs to educate our children, protect our seniors and provide jobs to hardworking American families, but it also omits costs of the Iraq conflict, Social Security privatization, and other key Bush initiatives," Congresswoman Velázquez said. "The ten-year surplus is long gone, and now all we have are deficits as far as the eye can see. It's a shame for the American people and our communities since they stand the most to lose."

Velázquez Responds to President Bush's Visit to New York

In response to President Bush's visit to the New York area to discuss his economic policies, Congresswoman Velázquez called the Bush administration's tactics "more of the same rhetoric about the success of the administration's policies, which is a far cry from reality."

"The problem with this administration is that it has not put any priority or focused any of its resources on small business, the number one job creator in our local communities," Congresswoman Velázquez said. "If you look at the major economic strategies employed by this administration – the tax cuts, the budget requests – it becomes obvious that small businesses and hardworking American families are left to fend for themselves."

Despite the President's claims that his tax cuts are jumpstarting the American economy – the Citizens for Tax Justice reported that the Bush tax cut benefited the top one percent of New Yorkers the most, and raised the federal debt burden of New York residents by approximately \$9,500 per person, or \$37,800 for a family of four. More than half of all New Yorkers will receive less than \$100 from Bush's 2003 tax bill, and the majority of New

York small businesses will receive, on average, less than \$500.

Bush's FY 2005 budget cuts several critical programs aimed at the small business sector and job training, including the Microloan program, which provides capital to underserved entrepreneurs, even though it infused more than \$2 million into New York's economy last year alone.

"The single most important factor in job creation and getting our economy back on track is small business," Congresswoman Velázquez said. "But the economic policies of the Bush administration have managed to completely overlook this sector. It's really a shame for our workers who won't be afforded the job opportunities created by small business, and it's a shame for the New York economy, and the U.S. economy overall."

When President Bush took office in 2001 the unemployment rate in New York was 4.2 percent, compared to 6.5 percent in January of this year, while approximately 300,000 jobs have been lost.

Grants Awarded to Our Community

Universal Service Administration Company (USAC)
Immaculate Conception School -- \$21,144
to provide schools and libraries with funds to install wiring and electronic equipment needed for e-mail capability and Internet access

Department of Housing and Urban Development
AAFE Community Development Fund, Inc. -- \$80,000
for a program to educate minorities, immigrants, seniors, and first-time homebuyers in NYC on predatory lending, homeownership discrimination, and how to fully exercise their individual housing rights

Department of Housing and Urban Development
NYC Dept. of Housing Preservation & Development -- \$40,000
to fund research on the socioeconomic factors that drive community change and influence public policy in NYC

Department of Health and Human Services
NYC Dept. of Health and Mental Hygiene -- \$3,959,513
to help families by supporting programs that provide free immunizations for children against vaccine-preventable diseases

Department of Health and Human Services
NYC Office of the Mayor -- \$122,103,117
to develop, organize and operate programs that provide health care and support services for individuals living with HIV and their families

Department of Homeland Security
Metropolitan Transit Authority -- \$27,783,281
for first responders to purchase equipment and conduct training exercises to respond to a chemical, biological, radiological, nuclear and explosive attack on NYC's transit system
City of New York -- \$1,389,05
to complete plans, procedures, and protocols for security and emergency preparedness on NYC's transit system
NYC Fire Dept. -- \$715,000
for first responders to purchase equipment to increase the capability to respond to, and recover from threats or acts of terrorism
Port Authority of NY and NJ -- Port Commerce Dept. -- \$3,762,768
for the purchase of emergency responder equipment and patrol vehicles to increase the capability to prevent, respond to, and recover from threats or acts of terrorism